

## Message Text

UNCLASSIFIED POSS DUPE

PAGE 01 LONDON 02768 01 OF 02 051358Z

47

ACTION EUR-25

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 NEA-10 IO-14 AF-10

PA-04 USIA-15 PRS-01 DRC-01 /208 W

----- 119982

R 051321Z MAR 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8417

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS SECTION 01 OF 02 LONDON 02768

STATE ALSO FOR T/IEP

E.O. 11652: N/A

TAGS: ENRG, ETRD

SUBJECT: ENERGY: FINANCIAL TIMES EDITORIAL CRITICIZES  
PROPOSED TRADE BILL AMENDMENT ON OIL PRODUCER STATE  
DISCRIMINATION.

1. MARCH 5 FINANCIAL TIMES EDITORIAL QUOTE AN ILL-  
ADVISED THREAT UNQUOTE PRAISES US ADMINISTRATION'S  
STATESMANLIKE RESPONSE TO ENERGY CRISIS THUS FAR BUT  
CRITICIZES PROPOSED INTRODUCTION OF POWERS TO IMPOSE  
UNCLASSIFIED  
UNCLASSIFIED

PAGE 02 LONDON 02768 01 OF 02 051358Z

TRADE DISCRIMINATION AGAINST OIL PRODUCERS IN RETALIA-  
TION FOR THEIR CONTINUED EMBARGO.

2: TEXT OF EDITORIAL FOLLOWS: "ON THE WHOLE, THE U.S. ADMINISTRATION'S RESPONSE TO THE ENERGY CRISIS HAS BEEN MEASURED AND STATESMANLIKE. IT HAS MADE IT QUITE CLEAR THAT IT REGARDS THE MOST RECENT LEVEL OF OIL PRICES AS EXCESSIVE, IF ONLY BECAUSE ITS CONSEQUENCES FOR THE WORLD'S ECONOMY ARE LIKELY TO BE UNMANAGEABLE. BUT IT HAS ALSO BEEN AT PAINS TO AVOID GIVING THE IMPRESSION THAT IT IS SEEKING A CONFRONTATION WITH THE OIL-PRODUCING COUNTRIES. INEVITABLY, THE ARAB COUNTRIES HAVE NOT BEEN ENTHUSIASTIC AT THE AMERICAN EFFORTS TO WORK OUT A COMMON FRONT WITH OTHER ENERGY-CONSUMING COUNTRIES, BUT THE ADMINISTRATION HAS MAINTAINED ALL ALONG THAT THIS WAS ONLY INTENDED AS THE PRELIMINARY TO A CONSTRUCTIVE DIALOGUE WITH THE ARAB OIL-PRODUCING STATES."

3. "TRADE BILL. BUT WASHINGTON'S EFFORTS TO PERSUADE THE ARAB COUNTRIES THAT ITS ATTITUDE TOWARD THEM IS MEANT TO BE FIRM BUT FRIENDLY, CANNOT HAVE BEEN HELPED YESTERDAY WHEN MR. GEORGE SHULTZ PROPOSED THE INTRODUCTION OF POWERS TO IMPOSE TRADE DISCRIMINATION AGAINST THE OIL-PRODUCING COUNTRIES IN RETALIATION FOR THEIR EMBARGO ON THE U.S. IT IS UNDERSTANDABLE THAT THE AMERICANS SHOULD RESENT THE CONTINUATION OF THE OIL EMBARGO, DESPITE DR. HENRY KISSINGER'S UNTIRING EFFORTS TO BRING ABOUT NEGOTIATIONS BETWEEN THE MIDDLE EAST BELLIGERENTS. BUT THE CHANCES OF LAUNCHING A CONSTRUCTIVE DIALOGUE BETWEEN PRODUCERS AND CONSUMERS CAN ONLY BE DAMAGED BY MOVES IN WASHINGTON WHICH COULD GIVE THE IMPRESSION THAT THE U.S. IS LIKELY TO TAKE UP AN AGGRESSIVE ATTITUDE."

4. "IT MAY BE ARGUED THAT MR. SHULTZ'S PROPOSAL, WHICH WAS MADE DURING CONGRESSIONAL TESTIMONY OVER THE ILL-STARRED TRADE BILL, IS LIKELY TO REMAIN NO MORE THAN A PROPOSAL FOR SOME TIME TO COME, AND MAY NEVER BE PUT INTO EFFECT. CONGRESS CONTINUES TO DEMAND THAT THE BILL INCLUDE PROVISIONS FOR TRADE DISCRIMINATION AGAINST THE SOVIET UNION, UNLESS IT ADOPTS MORE LIBERAL

UNCLASSIFIED  
UNCLASSIFIED

PAGE 03 LONDON 02768 01 OF 02 051358Z

UNCLASSIFIED

NNN

UNCLASSIFIED POSS DUPE

PAGE 01 LONDON 02768 02 OF 02 051333Z

47

ACTION EUR-25

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 NEA-10 IO-14 AF-10

PA-04 USIA-15 PRS-01 DRC-01 /208 W

----- 119669

R 051321Z MAR 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8418

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS SECTION 02 OF 02 LONDON 02768

EMIGRATION POLICIES, WHEREAS THE ADMINISTRATION CONTINUES TO OPPOSE THIS, AND THERE IS NO SIGN THAT THIS DISPUTE IS LIABLE TO BE RESOLVED IN THE IMMEDIATE FUTURE. IT MAY ALSO BE ARGUED THAT MR. SHULTZ'S PROPOSAL THAT THE U.S. SHOULD WITHHOLD TRADE BENEFITS FROM COUNTRIES "THAT IMPOSE ILLEGAL OR UNREASONABLE RESTRAINTS ON SALES OF COMMODITIES IN SHORT SUPPLY" IS MAINLY INTENDED TO HEAD OFF EVEN MORE STRONGLY WORDED ANTI-ARAB AMENDMENTS FROM CONGRESS."

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 02768 02 OF 02 051333Z

5. "YET DESPITE THESE QUALIFICATIONS HIS REMARKS ARE ALMOST BOUND TO CREATE AN UNFAVOURABLE IMPRESSION IN THE ARAB OIL PRODUCING COUNTRIES, AT A TIME WHEN IT IS

PARTICULARLY IMPORTANT TO WORK TOWARDS AN IMPROVEMENT IN THE ATMOSPHERE BETWEEN PRODUCERS AND CONSUMERS. THE CO-ORDINATING COMMITTEE SET UP BY THE WASHINGTON CONFERENCE LAST MONTH HAS NOW STARTED WORK, AND IT IS TO HOLD A FURTHER MEETING IN BRUSSELS LATER THIS MONTH, WITH A VIEW TO PREPARING A MEETING WITH THE PRODUCING COUNTRIES AT THE EARLIEST POSSIBLE OPPORTUNITY."

6. "IN PARALLEL, THE NINE HAVE NOW AGREED TO STAGE THEIR OWN CONFERENCE WITH THE ARAB OIL COUNTRIES, IN ORDER TO PROMOTE LONG-TERM ECONOMIC CO-OPERATION BETWEEN EUROPE AND THE MIDDLE EAST. THUS THE COMMUNITY HAS BEEN ABLE TO ENDORSE THE FRENCH DESIRE FOR A SPECIAL RELATIONSHIP WITH THE ARAB WORLD, BUT WITHOUT INFRINGING ON THE ENERGY PROBLEMS BEING TACKLED IN THE WIDER FORUM. BY ITSELF, THE COMMUNITY CANNOT HOPE TO DEAL EFFECTIVELY WITH THE WORLD-WIDE PROBLEMS OF ENERGY, IT WOULD BE DEEPLY REGRETTABLE IF MR. SHULTZ'S REMARKS SHOULD JEOPARDISE THE PROSPECTS OF THE 12 NATION COORDINATION COMMITTEE."

7. "IN ANY CASE, EVEN IF THE U.S. ADMINISTRATION SHOULD DECIDE THAT ITS GENERAL POLICY OF CO-OPERATION WITH THE ARABS OUGHT TO BE BALANCED BY A BACKGROUND THREAT OF RETALIATION, IT IS FAR FROM OBVIOUS THAT TRADE DISCRIMINATION WOULD BE AN EFFECTIVE WEAPON."

ANNENBERG

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, TRADE, PETROLEUM, AMENDMENTS, EMBARGOES, PRICES, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LONDON02768  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740368/aaaackux.tel  
**Line Count:** 197  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01 JUL 2002 by elbezefj>; APPROVED <02 JUL 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENERGY: FINANCIAL TIMES EDITORIAL CRITICIZES PROPOSED TRADE BILL AMENDMENT ON OIL PRODUCER STATE  
**TAGS:** ENRG, ETRD, US, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005